

Opening Statement of Chairman Grassley

April 11, 2000

Good morning. This is the second of two days of hearings on the funeral-related industries. Yesterday, we heard consumers and consumer advocates discuss various concerns about these industries. Today, we will hear from industry and government.

I want to thank the witnesses for being here. This Committee appreciates the opportunity to hear your perspectives and to discuss what steps can be taken to rid the industry of bad practices.

Yesterday, we heard a young woman describe many years of pain and anguish after she discovered that her grandparents' remains were violated allegedly by a sealed casket. We heard from a woman from California who described the graphic details of finding mass graves in the cemetery where more than 30 of her relatives were buried. To protect their memories, she formed a foundation and took control of the cemetery that the city didn't want. We heard from a Florida funeral director who described the high pressure sales tactics she has observed certain funeral homes practice when selling preneed agreements to the elderly. She described, in detail, how one 81 year old woman ended up prepaying \$132,000 for her funeral arrangements. This Committee asked the company involved to waive the confidentiality provision of the settlement so that we could understand more about what happened in this case. Since the company would not waive confidentiality, we discussed only those portions of the case that were in the public record, such as the complaint and answer filed by the parties to the lawsuit.

The Committee heard the testimony of a former preneed sales executive, Irwin Karp, who is serving out his sentence for theft of funds. Mr. Karp's testimony was helpful in providing the Committee with insights about how the state and federal governments might do a better job of protecting consumers. In addition, the Committee heard from several consumer advocates who discussed other examples, suggesting the need for improved government oversight over the funeral-related industries.

Before I introduce today's witnesses, I want to thank the Ranking Member, Senator Breaux, again for his support throughout this investigation.